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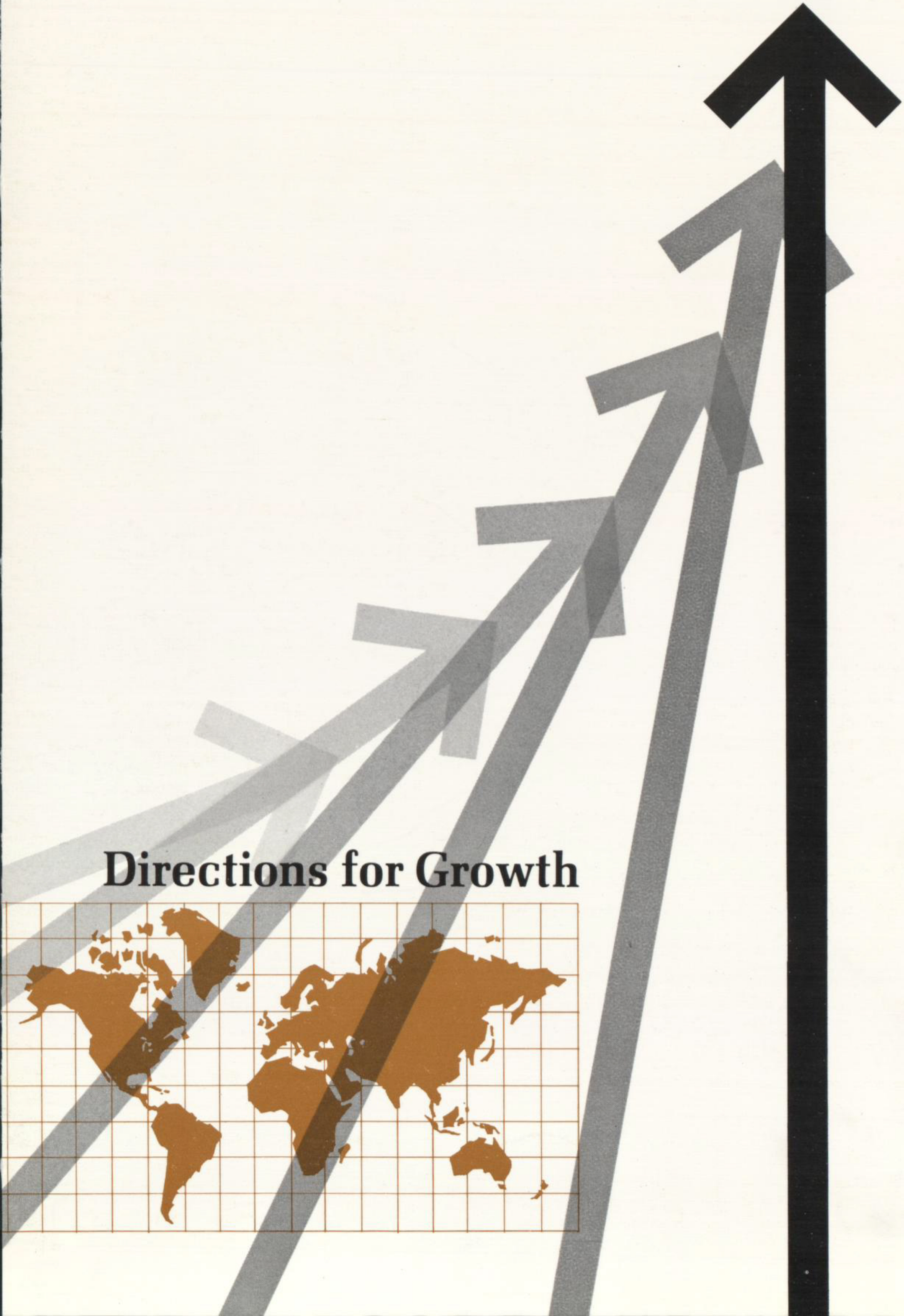
MANPOWER®

1968 Annual Report

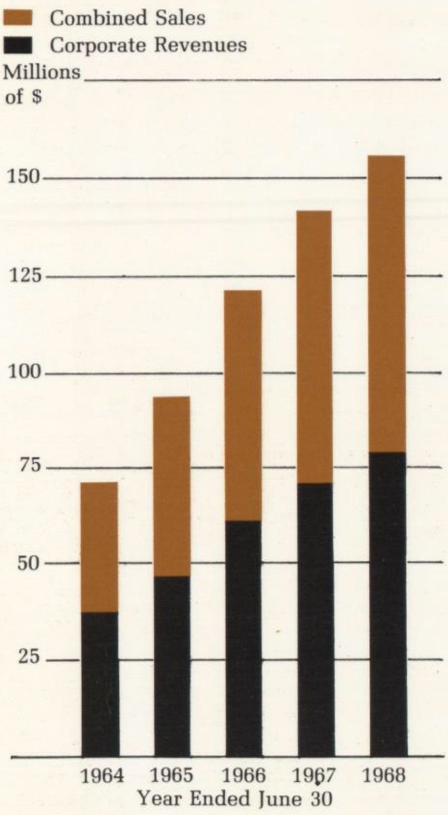


Directions for Growth

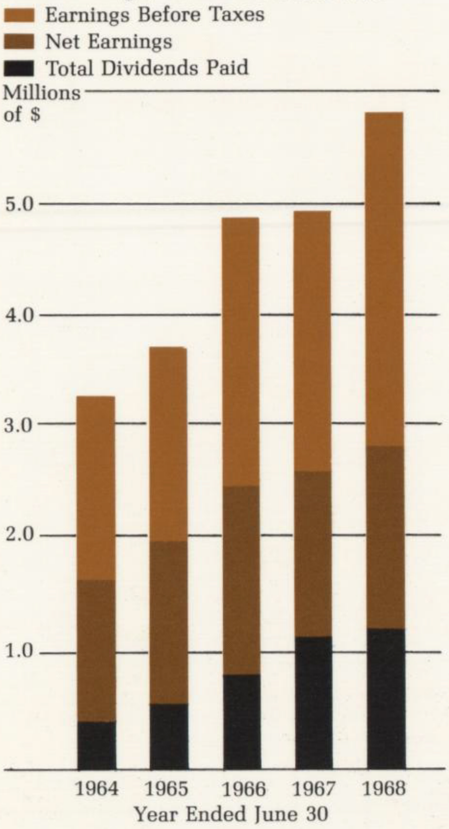
HIGHLIGHTS

	Year Ended June 30		Per Cent
	1968	1967	Change
COMBINED SALES[1]	**$157,208,451**	$142,233,501	+10.5
Company Offices	**74,729,095**	69,238,738	+ 7.9
Licensees	**82,479,356**	72,944,763	+13.0
CORPORATE REVENUES[2]	**$ 79,522,803**	$ 73,617,097	+ 8.0
EARNINGS			
Before Income Taxes	**$ 5,820,127**	$ 4,902,295	+18.7
Net Earnings	**$ 2,794,257**	$ 2,559,658	+ 9.2
Net, Per Share of Common Stock[3]	**$ 1.50**	$ 1.44	
DIVIDENDS PAID, Per Share of Common Stock	**$ 0.60**	$ 0.60	
EMPLOYEES			
Operating Staff	**1,250**	1,207	+ 3.6
Employees on Temporary Assignments	**325,000**	315,000	+ 3.2
OFFICES	**570**	536	+ 6.3
Company-owned	**205**	193	+ 6.2
Licensed	**339**	323	+ 5.0
Associate[4]	**26**	20	+30.0
CUSTOMERS SERVED	**196,000**	182,000	+ 7.7
SHAREOWNERS	**3,250**	3,100	+ 4.8

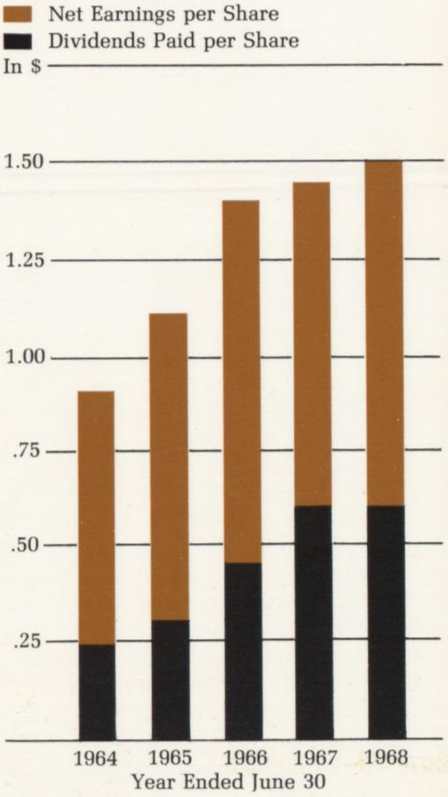
Combined Sales[1] / Corporate Revenues[2]



Net Earnings/Total Dividends Paid



Net Earnings Per Share[3] / Dividends Paid Per Share



NOTES TO HIGHLIGHTS TABLE AND CHARTS

1. Combined sales are the sum of sales by the Company (including operating divisions, branches and subsidiaries) and by licensees. **2.** Corporate revenues represent sales by the Company plus license fees from licensees. **3.** Earnings per share are based on 1,866,042 shares outstanding during the fiscal year ended June 30, 1968, and on 1,782,485 shares outstanding during the fiscal year ended June 30, 1967. **4.** Associates are enumerated separately from licensees in this report, for the first time. For a definition of associates, see the note on Page 3.

TO OUR SHAREOWNERS

ON this, the occasion of our twentieth anniversary, we are pleased to report that the recent year was the best in Manpower's history.

Corporate revenues and net earnings reached record highs in fiscal 1968, with revenues rising 8.0 per cent, to $79,522,803. Earnings before taxes increased 18.7 per cent, to $5,820,127, and net earnings increased 9.2 per cent, to $2,794,257. Earnings per share, though calculated on a larger average number of shares outstanding in 1968, rose to $1.50 from $1.44.

Dividends paid during the year amounted to 60 cents per share, a level unchanged from the preceding year, while total dividends distributed rose 4.1 per cent, to $1,119,484. The Company plans to maintain a sound dividend policy while retaining sufficient funds to improve the business and prepare for new services and new markets.

To give you the full picture of Manpower's scope and impact as the world's largest temporary help and business service company, we also report combined sales of $157,208,451 by the Company and its franchised offices in fiscal 1968, or 10.5 per cent more than the year before. This figure is not to be confused with corporate revenues, which include only license fees from franchisees, plus sales by the parent Company and its subsidiaries.

One of the year's highlights occurred September 14, 1967, when trading in our shares began on the New York Stock Exchange. That important event gave us a broader, more orderly market for our shares and added recognition for the Company in the business world. The event, symbolizing Manpower's maturity in its twentieth year, lent additional impetus to our ambitions for growth.

By the second half of the fiscal year we had shaken off the effects of the general business slowdown that had begun to influence our operations late in the preceding year, and our sales and earnings were showing healthier gains. Even then, our progress was slowed by recessionary tendencies in the United Kingdom and West Germany. Our sales were also affected in the fourth quarter by the strikes in France, where we have extensive branch operations.

Our prospects are nonetheless quite good in those and 31 other foreign nations where Manpower now operates—including Ireland and Luxembourg, where the first Manpower offices were recently opened. In France, we were quickly rebounding at fiscal year's end as French industry turned to us for extra help to overcome the effects of the three-week work stoppage.

In our worldwide Company, we have attempted through aggressive cost control to lessen the effects of the general rise in operating costs that afflicts all businesses today. We continue to press forward in this direction. In the recent year, in accordance with this policy, we sold Industrial Relations News and closed Selling Research, Inc. Both of these minor operations failed to produce satisfactory profits.

Our quickening pace, evident in all our larger operations during the latter half of the year, was especially noticeable in Government Operations, where volume increased substantially over the previous year; in Technical Services, where our sales have multiplied over a two-year period, and in Maintenance Services, where our "programmed maintenance" concept is helping us to expand in the field of janitorial contracting.

Most dramatic of all, and offering considerable promise of future growth, has been the success of Manpower Teaching Services. It has quickly come to national prominence in training disadvantaged workers and job seekers under private and public contracts. In April, 1968, after proving out its methods in Milwaukee, we placed this division under Manpower Educational Corporation and launched it into national marketing—just when U. S. business began pledging itself to hire the hard-core unemployed and was casting about for assistance in their training. Since then, Manpower Teaching Services has obtained contracts expected to add significantly to revenues, and we are confident of more contracts as the nation shoulders the huge job of training the disadvantaged.

Looking to the future, we intend to diversify our temporary help services and open new markets for the Company here and abroad. We are also moving forward with a sound acquisition program to give Manpower a broad reach in its present services and into related fields of service. For this as well as for other corporate purposes, and to avoid putting a drain on cash resources, we are seeking shareowner authorization for 250,000 shares of preferred stock, without par value. No immediate issuance of these shares is planned at this time.

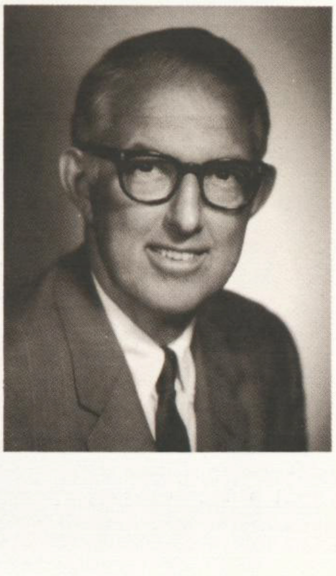
For a better look at what Manpower's future may bring, we invite you to read the section of this report that takes up the theme announced on the cover: "Directions for Growth." In the projections experts have given us of tomorrow's economies, of the role of work in tomorrow's world, and of the people available to do that work, we find directions and challenges for our own future.

After twenty exciting years of growth, we turn toward even greater opportunities in the future, with full confidence that we shall continue to set the standards and the pace of our industry and take our rightful role in the major markets of the world as we develop and expand our "supermarket of business services." We are moved by a constant desire to justify the confidence that our shareowners, customers and employees have placed in us. With your trust, and with the resources you have given us, we, our management, our licensees, our permanent staff and our worldwide corps of temporary workers pledge to make the future yours and ours.

Elmer L Winter

AARON SCHEINFELD
Chairman of the Board of Directors

ELMER L. WINTER
President



Review of the Year

IN its twentieth year, Manpower — the world's largest and most complete temporary help and business service — grew even bigger. It grew in sales and earnings, in the scope and variety of its services, in new fields such as training, in international operations, in operating efficiency and marketing effectiveness, in the strength of its people, and in its impact on the community, the nation and the world.

FINANCIAL REVIEW

Net earnings reached $2,794,257 — the highest in Manpower's history — compared with $2,559,658 the year before. Earnings per share, based on an average of 1,866,042 shares outstanding during the year, were $1.50, compared with earnings of $1.44 per share, based on an average of 1,782,485 shares outstanding, in fiscal 1967.

Quarterly dividends of 15 cents per share were declared by the Board of Directors and paid in August, November, February and May, for a total of 60 cents per share. The total of dividends distributed was $1,119,484, up from $1,075,151 the year before.

Shareowner's equity in the Company increased 14.0 per cent to $14,139,954 on June 30, 1968, or $7.58 per share based on an average of 1,866,042 shares outstanding during the year ended on that date. This compares with $12,399,847 a year earlier, or $6.96 per share on an average of 1,782,485 shares outstanding during that year.

Corporate revenues rose through the recent year to $79,522,803 or 8.0 per cent above the $73,617,097 reported for fiscal 1967. They are comprised of sales by operating divisions, branches and subsidiaries, plus license fees from franchisees.

Combined sales, including gross sales by licensees, reached the record level of $157,208,451, up 10.5 per cent from $142,233,501. They are stated here only as index of the volume of business done by the entire Manpower organization.

Income taxes paid or accrued in fiscal 1968 reduced profits by $3,025,870. The effective tax rate, for the parent Company and subsidiaries combined, was 51.99 per cent. These taxes, including the new 10 per cent surcharge on federal income taxes, retroactive to January 1, 1968, were equal to $1.62 per share of common stock. The surcharge alone reduced net earnings by $116,113, or 6 cents per share.

On September 14, 1967, with the opening of trading on the New York Stock Exchange, the symbol "MAN" flashed above the trading floor to register the first transaction in Manpower's common shares on the world's largest securities market. This major event in the Company's history came less than eight years after its first public stock offering, and has brought it increased attention in the investment community and added prestige among customers and the general public.

KYR
UPJ
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MAN
MANPOWER INC.
MGR
MCGRAW EDISON
IPK
INTERNATIONAL PACKERS
JOR
XA
CRUCIBLE STEEL

N. Y. Stock Exchange President Robert W. Haack (left) greeted Manpower Board Chairman Aaron Scheinfeld and President Elmer L. Winter on the Exchange floor Sept. 14, 1967, as Manpower became the first in its industry to achieve Big Board listing of its shares. At right is William F. Cullen, of Fowler & Rosenau, appointed as specialists in the Manpower shares.

White Gloves are put aside when there's work to be done, but they remain symbolic of "the very best in temporary office help" as supplied by Manpower around the world.

Another result has been an increase in the number of Manpower's shareowners to 3,250 from 3,100 a year earlier. Share ownership is widely distributed among 50 states, the District of Columbia and several foreign countries, and reflects a good diversity among institutional and private investors.

The Company's audited financial statements appear on Pages 12 through 15 of this report.

CORPORATE REVIEW

In a realignment of Home Office temporary help operations along functional rather than divisional lines, separate vice presidencies were created over service and sales operations, and two field-seasoned executives were installed to direct a new, multidivisional sales and customer-service effort. William J. Gallagher became vice president — service operations, and John Petersen became vice president and general sales manager. Their former functions, as vice president — industrial services and director of office services, were discontinued.

Manpower Business Training Center, Inc., was renamed Manpower Educational Corporation in the fourth quarter, as a wholly owned subsidiary embracing two divisions: Manpower Business Training Institutes and Manpower Teaching Services. These divisions, which are further discussed later in this review, are considered promising not only domestically but also through possible extension into foreign operations.

To build even greater strength into the Company's management group, we recently appointed a corporate training director to guide our executive development strategy, including management inventory, training and selection programs designed to assure that trained and capable people will be available for the new managerial positions that develop as Manpower grows.

A corporate planning director is also being actively sought to assist upper management in identifying promising fields for further growth through diversification and acquisition and to prepare long-range expansion plans.

TEMPORARY HELP SERVICES

Manpower's sights are set on having 1,000 offices in operation by 1975. Steady progress was made toward that goal in fiscal 1968 with the opening of 12 branch, 16 licensed and 6 associate[1] offices. As of June 30, 1968, a total of 570 offices — 205 branches, 339 licensees and 26 associates — were operating in 48 states and in 34 other nations. This growth, representing development of existing markets as well as penetration of new territories, continues at a well-planned pace in the current year.

Office Services, personified by the Company's world-famed White Glove Girls, range through virtually every type of office skill. Steadily growing demand for them has been evidenced by sizeable increases both in office services sales and in the number of man- (or woman-) hours worked. One factor in this growth is the Company's increasing capacity to satisfy expanding office-skill needs in specialized fields such as medicine and health.

Manpower's *Industrial* and *Women's Industrial Services* made new sales gains during the year. The Company finds that industrial customers are more and more turning to it to perform, on an occasional basis, work that used to require the customer's own full-time company crews.

Trained nurses were provided by Manpower for a major network's first-aid station at the Democratic National Convention.

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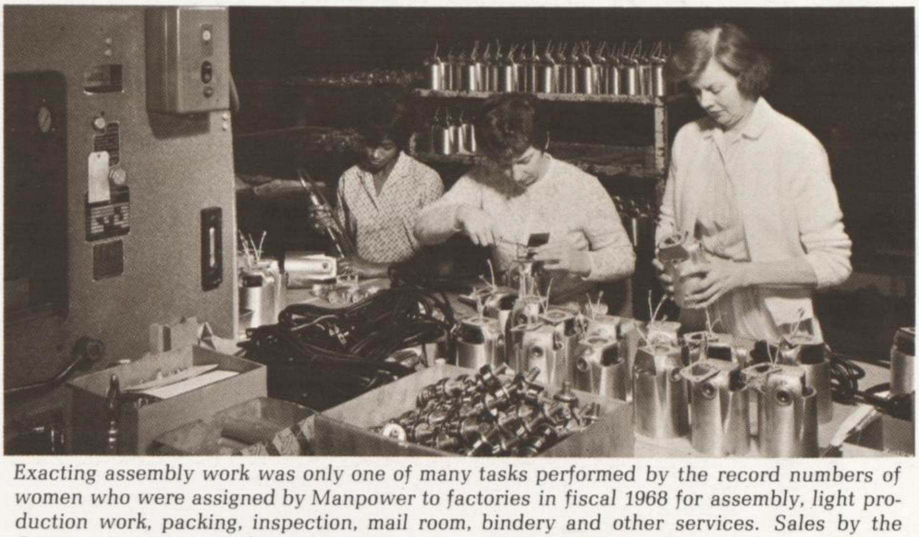
[1] An associate is a type of licensee resembling an agent. Manpower shares his capital investment, absorbs specified costs, and divides profits equally with him. Associates have the option after two years of purchasing a regular franchise.

Manpower's Reliables again moved more of the world's goods than ever before. New sales records were set in fiscal 1968 by Manpower's Industrial Service operations.



Exacting assembly work was only one of many tasks performed by the record numbers of women who were assigned by Manpower to factories in fiscal 1968 for assembly, light production work, packing, inspection, mail room, bindery and other services. Sales by the Company's Women's Industrial Services grew with those of other services during the year.

Salespower, which furnishes temporary sales and merchandising services chiefly to consumer-goods companies, added new national, regional and local accounts and new staff in its regional offices. Convention and trade show services are being extended this year. Favorable indicators for Salespower include enlarged promotional budgets among its clients and mounting inventories in the consumer-goods industries.

Technical Services rose rapidly in sales volume during the year, and further growth is expected this year as more Manpower offices begin actively marketing temporary help services in engineering, drafting and other technical specialties. At present, the resumes of many thousands of experienced technical personnel are maintained on Home Office data processing equipment for quick response to requests from Manpower offices seeking to fill the technical services needs of individual customers.

Government Operations has won numerous contracts for government building maintenance, food service operations on military bases, keypunching and material handling.

MANPOWER EDUCATIONAL CORPORATION

The two divisions operating under this subsidiary deserve special attention:

Manpower Business Training Institutes, in Houston, Milwaukee and St. Louis, prepare students for careers in the rapidly expanding data processing and secretarial fields. Enrollments are rising, and the Company expects they will continue to do so, especially because of the increasingly acute demand for computer operators and programmers.

Ta'en
dåse sol
fra

Introducing a new product in Copenhagen? The job was swiftly done by Manpower for the Cling Peach Growers of California.

Manpower Teaching Services, which specializes in programs of basic education and prevocational training of disadvantaged workers and job seekers for business and government, is one of the most promising undertakings of Manpower in recent years. Set up experimentally in September, 1966, it quickly developed systems for teaching reading, basic mathematics and other essential skills to undereducated adults. Its techniques were successfully field-tested among private companies and then applied in federally funded programs.

It became apparent that there was a huge, national need for a specialized training service to help business and industry solve the problems of adapting substandard employees to the demands of modern work. The division was placed on a national footing in April, 1968, as the public and private sectors joined in massive efforts to provide jobs, with necessary training, for the hard-core unemployed. An intensive marketing effort has since resulted in a number of major public and private contracts. Manpower is confident that this service will show rapid and continuing growth this year and in the years ahead.

Training programs developed by Manpower Teaching Services have raised individual grade levels as many as four or five full grades in 100 hours of classroom work.

Manpower Teaching Services perfected its methods of training teachers to teach jobless and underemployed workers. Regional centers, such as this one in Los Angeles, were set up to develop teaching staffs to conduct the service's programs of basic education and prevocational training. The programs operate under both public and private contracts.

INTERNATIONAL OPERATIONS

The Company, operating on every continent except Antarctica, launched two branches and eight licensed offices in foreign nations during the year, including its first offices in Ireland (Dublin) and Luxembourg. A total of 135 offices were operating outside the United States as of June 30, 1968.

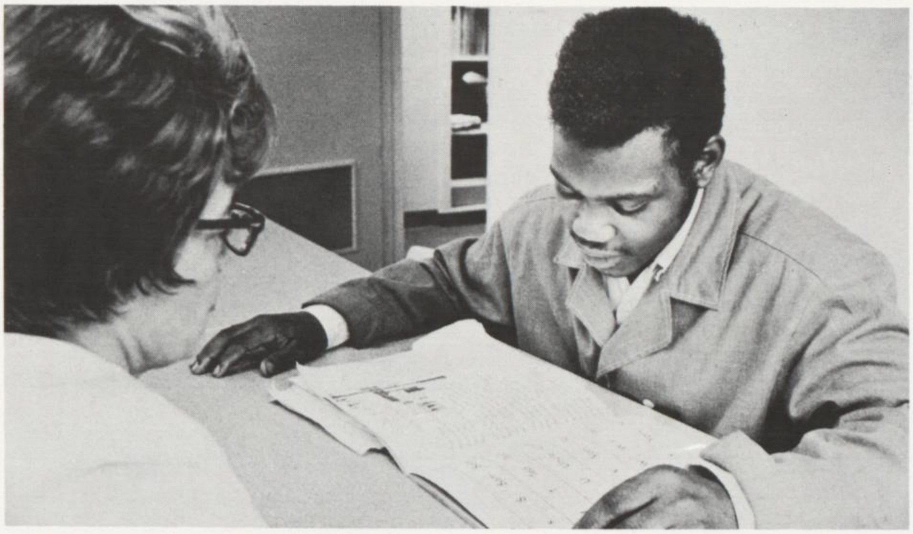
Solid sales gains were posted in most foreign operations, which together produce nearly one-fifth of the Company's corporate revenues. As noted, French operations have quickly recovered after the civil disturbances of May-June, 1968. In the United Kingdom, Manpower has scored substantial sales gains in the face of adverse economic conditions and has not been significantly affected by devaluation of the pound sterling. Improvements in general business conditions in West Germany encourage hopes for Manpower's future growth in that nation.

The Company's international prospects continue to be favorable, especially in view of the essential stability and expanding economies of the major nations and the long-range growth potentials displayed by other nations in which Manpower is established. In addition, the Company contemplates eventual expansion into many large cities abroad in which it does not as yet operate.

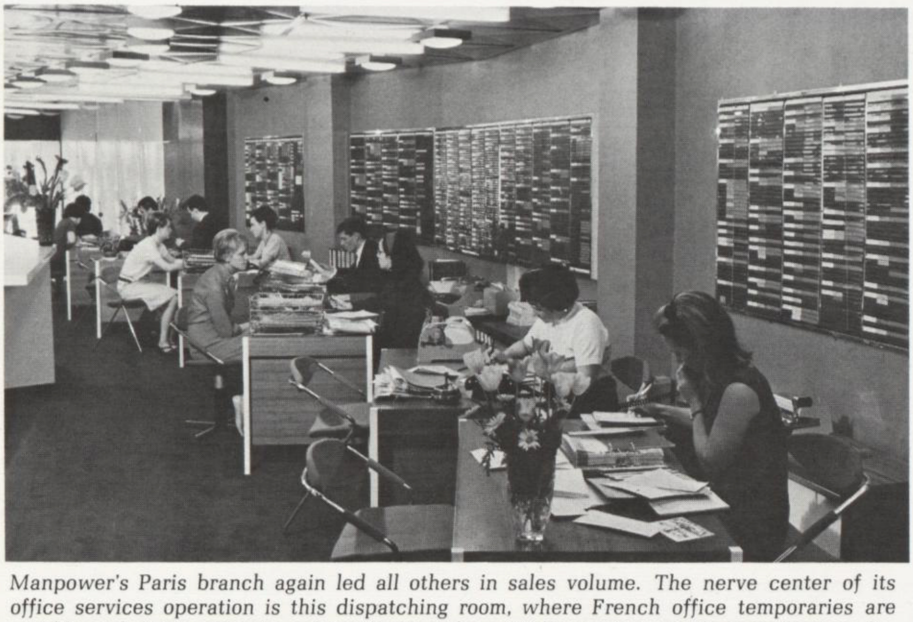
STAFF SERVICES

The Company's Home Office in Milwaukee is essentially a service organization within a service company. During the year all departments made significant progress in perfecting new and improved services to Manpower's far-flung field operations.

The Systems Department began installation of MIDAS (Manpower Integrated Data Assimilation System), a computer communications network that permits overnight processing and transmission of billing and payroll data for field offices. Offices thus far integrated into MIDAS are Milwaukee, Toledo and Columbus; others scheduled soon to join the time-saving and cost-reducing system include Toronto, Boston, Memphis, St. Louis, Dallas and Fort Worth. When finally complete in 1970, MIDAS will tie together nearly all the Company's U. S. and Canadian offices in a computerized network that will, in addition to handling billing and payroll, serve as a data bank on the Company's operations, with rapid retrieval of marketing statistics, plus computerized addressing of customer and employee mailings.



Learning to read, a 19-year-old Milwaukeean took his first steps toward a good job and a better life in a federally funded program conducted by Manpower Teaching Services. The division launched into national marketing last April after testing its methods for 18 months.



Manpower's Paris branch again led all others in sales volume. The nerve center of its office services operation is this dispatching room, where French office temporaries are quickly and efficiently selected to fill job orders. Wall-mounted visible records give dispatchers see-at-a-glance information as to which workers are available for assignments.

Many U. S. products like this business machine, displayed at a Tokyo trade show, were introduced into foreign markets by skilled Salespower product demonstrators.

The Sales Department, which began functioning across divisional lines after the already mentioned realignment of Home Office operations, has improved Manpower's sales organization and selling techniques, with new emphasis on regional sales management and specialized sales programs for particular industries. Sales to national accounts reached record levels during the year.

Service Operations, also strengthened by the Home Office realignment, have contributed significantly to the Company's success by developing new training programs for field management and improving methods for recruiting, training and retaining temporary employees.

Marketing Services, embracing Manpower's advertising, sales promotion and public relations functions, shared credit with the Company's advertising agency for the "Operation Search" advertising campaign, a highly successful effort to develop new customers for local Manpower offices.

The *Franchising Department* continues the selective marketing of Manpower franchises, with efforts now focused on foreign markets and on U. S. cities below 100,000 in population. (The Company already operates in all the medium-sized and larger cities of the United States.) This department also pursues an intensive program of franchise relations designed to help the Company's franchisees operate more profitably. Among the department's accomplishments in the last year was the introduction of an amendment to Manpower's licensing agreements which reduces the danger of financial loss to the franchisee's family in the event of his death, and at the same time insures good future management of the franchise. Regarded as a model in the franchising field, the amendment has been enthusiastically accepted.

MANPOWER'S PEOPLE

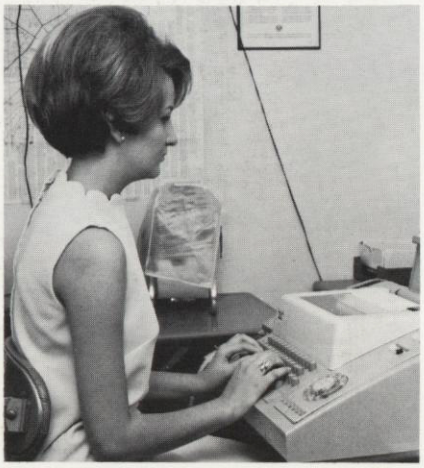
The men and women who work with and for Manpower — as franchisees, as operating staff or as employees on temporary assignments — are the primary source of its strength. Their loyalty and dedicated hard work are the best assurance of the Company's future.

Manpower's corps of temporary workers grew to 325,000 from 315,000 a year earlier. To manage this growing work force efficiently, the Company's operating staff was increased to 1,250 from 1,207, in addition to some 2,000

Everyone's calling for MANPOWER
The very best in temporary office help
OPERATION SEARCH

The "Operation Search" advertising campaign used print and broadcast media in a highly successful drive to produce new customers for Manpower's many services.

MIDAS, Manpower's new computer communications system, resulted from a team effort led by the Systems Department. The computer processes data received by long-distance lines from local offices. Then, by remote control, it produces in each office punched tapes used in a "print-out" machine there for fast, automatic printing of invoices and paychecks.



The Toledo franchise office was among the first integrated into the MIDAS network. The system will eventually embrace most of Manpower's U. S. and Canadian offices.

staff members of franchised offices. During the year, a liberalized vacation policy and improved life and medical insurance programs were introduced for operating employees, and scholarship programs for their children and those of temporary employees were continued.

COMMUNITY AND PUBLIC AFFAIRS

Today more than ever before, corporations must be good citizens. Manpower, as a company oriented strongly to people and to service, is particularly sensitive to this requirement of modern business life.

Youthpower, the Company's free, nonprofit summer-job referral service for 16-to-21-year-olds, was operating in 25 U. S. cities on June 30, 1968. Staffed by youthful volunteers under Manpower's guidance, it placed nearly 12,500 youngsters in summer jobs during the past season. Some 870 volunteers donated more than 36,000 hours to the effort, and did credit to themselves and their generation in doing so. Frequently cited as a prime example of effective community relations, Youthpower continues to receive favorable attention in the national press and from business and civic leaders.

The officers of the Company, too, continue their deep, personal commitments to public affairs. President Elmer L. Winter, appointed February 24, 1968, by President Johnson as one of the 50 metropolitan chairmen of the National Alliance of Businessmen, led Milwaukee businessmen in an intensive and successful drive to pledge area companies to hire poor adults and youths. A plan developed by Board Chairman Aaron Scheinfeld to foster new industries in less developed countries is under consideration by the Council of the Agency for International Development, and his plan for the encouragement of small businesses in the black community is being discussed with government and business leaders. Other Company executives devote many hours to a wide variety of civic activities.

As the National Alliance of Businessmen's Milwaukee chairman, President Elmer L. Winter was joined by Leo Beebe (left), NAB executive vice chairman and a Ford vice president, in a dramatic appeal for jobs for the hard-core unemployed and for poverty-level youths.

Youthpower organized job clinics in many fields to increase summer job opportunities for young people aged 16 to 21. A popular and successful clinic in many cities was one devoted to the training of Youthpower "Clean Teams" — pairs of teenaged girls who, after learning from experts, received help in obtaining worthwhile summer jobs as homemakers' helpers.

Youthpower volunteers were stationed in inner-city areas to help disadvantaged youngsters find summer jobs. There is never a charge for Youthpower services.

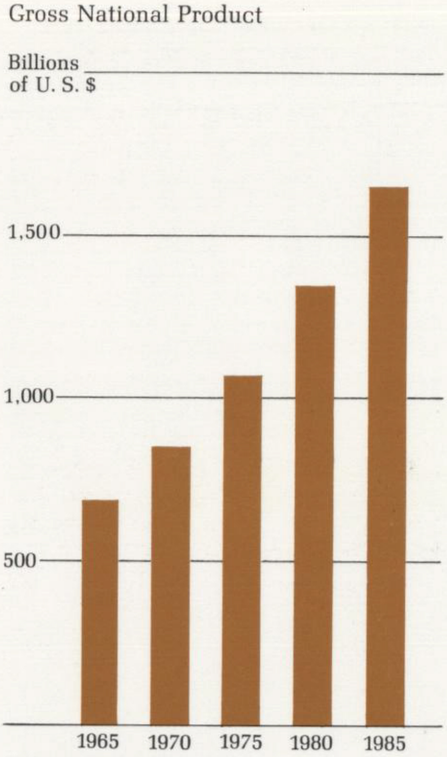
Directions for Growth: Manpower in an Expanding U. S. Economy

THE achievements of the future rest not on past success but on readiness to adapt to an ever-changing world.

As its twentieth year ended, Manpower again took the measure of its future in a world of change. What it saw is summarized on this and the following pages, in charts and forecasts based on projections by government agencies, scholars and leading economists. There emerges a picture of expanding domestic and international economies, of growing and changing labor forces, of increasing needs for capable people to do the world's work, and of plentiful opportunities for the Company's growth.

Manpower regards these projections not as certainties but as challenges to respond with new and better services to the needs of world industry in the final third of the twentieth century.

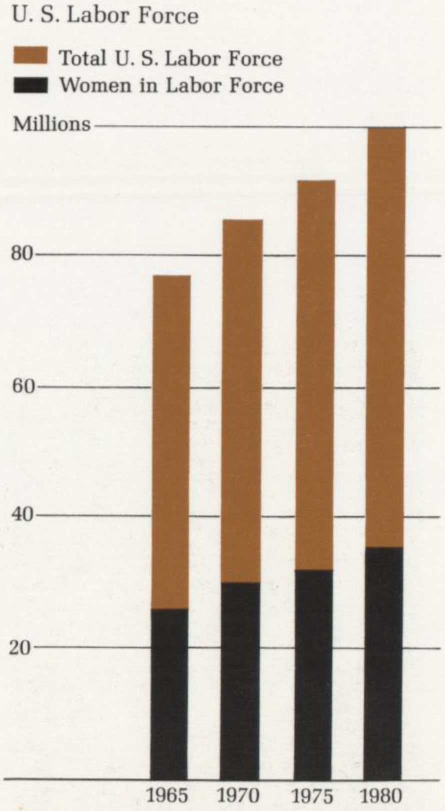
The general expansion of the U. S. economy is expected to continue at a fairly rapid rate during the next 20 years, with growth toward a gross national product of three trillion dollars in the year 2000. Manpower's domestic success, like that of other large enterprises, will be closely related to this long-term growth trend.



Assuming a most likely 4.5 per cent annual growth rate, U. S. gross national product will rise past one trillion dollars in the mid-1970's and approach 1.7 trillion in 1985.

Services industries—prominently including the temporary help industry—will remain the fastest growing sector of the economy. Purchases of services have risen to 11.5 per cent of national income from 10.1 per cent just a year ago. As another index of service-industry growth, total employment in "miscellaneous services" (the category into which temporary help services fit) will rise by 42.5 per cent in the period 1965-75—faster than in any other area of private industry.

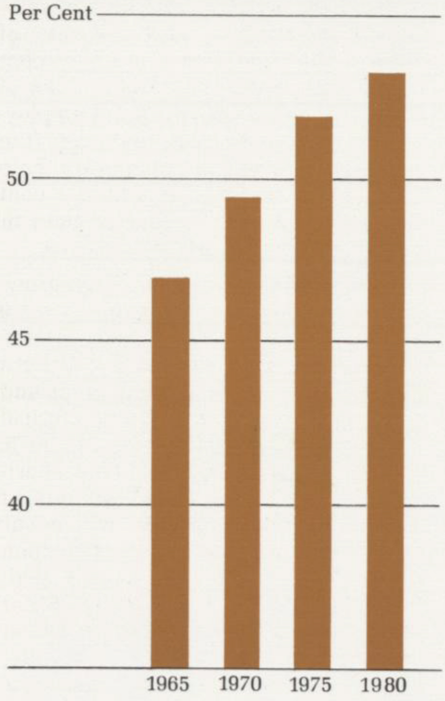
The U. S. labor force has been growing and will continue to grow at a 1.9 per cent average annual rate. At the same time, labor scarcities will be a continuing problem in many areas and occupations. Employment of clerical workers will rise 32.5 per cent by 1975, but there will nonetheless be a shortage of 4.5 million clerical workers at that time. Similar growth will occur in at least two other fields to which Manpower's business is closely tied: sales workers will increase by 25 per cent, and professional and technical workers by 45.2 per cent. Meanwhile, total U. S. employment will rise 22.7 per cent, to about 92 million.



U. S. workers aged 16 and over will increase from 77 million in 1965 to nearly 100 million in 1980. The proportion of women in the labor force will increase appreciably during the period. (Source: *Manpower Report of the President, 1968)*

The increasing demand for skilled business machine operators will annually create many thousands of job openings through the mid-1970's. This trend, coupled with high turn-over rates among women workers, is expected to bring more and more calls for Manpower's business machine operators, in order to meet the day-to-day requirements of business.

Clerical, Sales, Service & Technical Workers
(as a percent of the U. S. labor force)



Nearly 12 million of the 16 million workers to be added in 1965-75 to the U. S. labor force's fastest-growing occupational groups will work in fields of key importance to Manpower's growth. *(Source: Manpower Report of the President, 1968)*

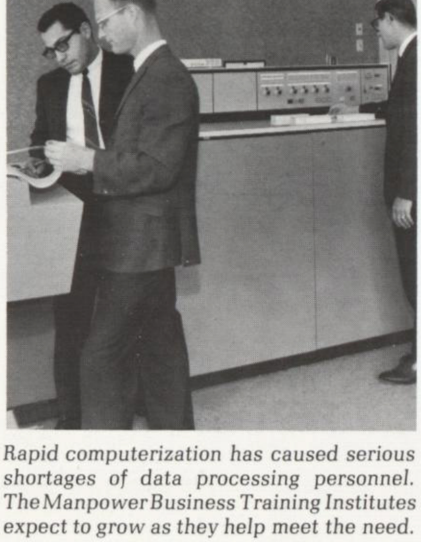
Other factors suggesting Manpower's prospects in the temporary help field are:

- Expected reduction of the work week to 35 hours in 1975 (from 40.5 hours in 1967) while the actual work load continues its steady increase—suggesting an expanded demand for temporary help services.
- Rising quit rates in industrial occupations, especially at semiskilled levels. The Company expects increasing industrial services business on the basis of this trend.
- Growing numbers of women (now more than half a million) wanting to work, but not actively seeking regular employment — forming a major pool of potential temporary office workers.
- An extremely large increase in the number of women of an age when they are most likely to seek temporary employment. The number of 25-to-34-year-old women in the labor force will grow 50.1 per cent by 1975—more rapidly than any other age group.
- Rising job opportunity rates (ratio of unfilled jobs to all jobs filled and unfilled) at all skill levels — suggesting accelerating calls for all Manpower temporary help services.
- Relative steadiness of employment among nonproduction workers — even in business downturns, when production workers are laid off. This means greater stability for Manpower, whose business is less related now than before to production levels.

In other service fields, similar growth appears in the offing during the next two decades:

- Openings for 200,000 secretarial workers and for at least 25,000 computer personnel in each of the next several years suggest substantial growth for business schools (such as the Manpower Business Training Institutes) that train career seekers in these fields.
- An immense, still advancing need for training of disadvantaged adults. The National Alliance of Businessmen, for example, seeks 500,000 jobs for the hard-core unemployed before 1971, while the President's Commission on Civil Disorders recommends that two million jobs be opened quickly for minority groups. The basic training needed to adapt the undereducated to working life suggests a steadily rising demand for Manpower Teaching Services.

Finally, growing demands for other business services in an expanding domestic economy—especially for bookkeeping, data processing, engineering, maintenance, market research, inventory and similar services and for business, technical and home-study schools—has prompted Manpower to begin serious exploration of expansion opportunities in these fields, either through enlargement of existing operations or through acquisitions.



Rapid computerization has caused serious shortages of data processing personnel. The Manpower Business Training Institutes expect to grow as they help meet the need.

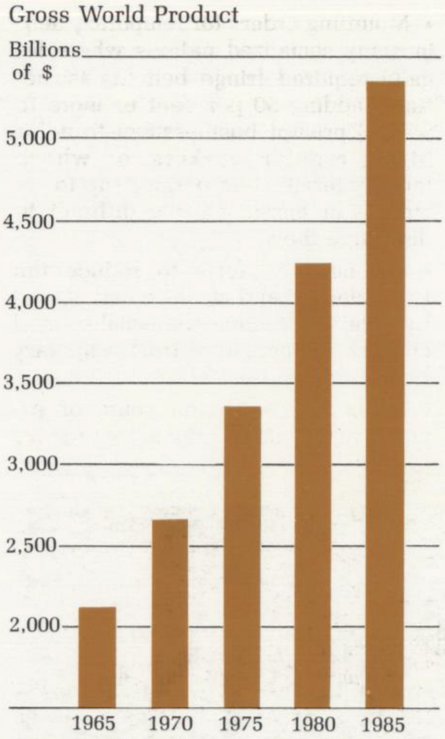
Responding not only to government urgings but also to its own growing need for semi-skilled and skilled workers in a "tight" labor market, U. S. business is expected to seek increasingly for expert aid in training the disadvantaged. Manpower Teaching Services foresees steady growth in the demand for its specialized programs of basic education and prevocational training.

Directions for Growth: Manpower in an Expanding World Economy

WHAT international challenges await Manpower, the only worldwide temporary help and business service?

Economists say the world has entered a long economic upswing. Best estimates, based on constant 1965 U. S. dollars, indicate that gross world product will reach 5.3 trillion dollars in 1985, compared with 2.1 trillion in 1965.

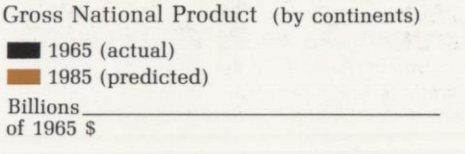
While Europe (including the Soviet Union) and North America will maintain their economic leadership over other continents, remarkable growth will occur in Asia, under the economically dominating influence of Japan, and in South America, where 40 to 50 per cent increases in gross national product are predicted for the next ten years. Less developed nations will be increasingly industrialized, while industrial nations will move toward the so-called "post-industrial" age, in which services absorb an increasing proportion of income.



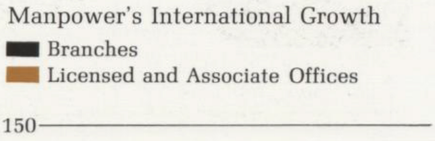
Gross world product is predicted to increase two and one-half times between 1965 and 1985 and to double between 1985 and the year 2000, assuming a most likely growth rate of 4.8 per cent annually. (Source: Herman Kahn & Anthony Wiener, *The Year 2000.*)

These conditions suggest a more and more favorable international atmosphere for Manpower. Among the factors supporting the Company's growth expectations abroad are:

- Multiplying demands for semiskilled and skilled workers in developing nations that are in transition toward industrial economies.
- Rapidly growing needs for office workers to handle mounting workloads in those nations.
- Shortages of engineers, draftsmen and other technical specialists.
- Increasing requirements for sales and merchandising services to promote a nation's products in domestic and foreign markets.
- Calls for assistance in training semiskilled and skilled industrial and office workers and technical and sales personnel to meet pressing needs for permanent employees in these fields.



Distribution of gross world product by continent is expected to shift in favor of the less developed nations, especially those in the Far East and Latin America.



Of the Company's 570 offices at fiscal year's end, 130 were in foreign nations, where new business opportunities await Manpower in a rising world economy.

As to the last point, the Company foresees possible introduction of Manpower Teaching Services in foreign nations, where in many instances the need for training undereducated, disadvantaged workers is at least as critical as it is in the United States.

Among the more industrialized nations, factors favoring Manpower are:

- The growing proportion of women in the work force, including rising numbers of women seeking temporary employment to supplement family income. These trends follow social patterns already well established in the United States.
- Mounting orders for temporary help in many socialized nations where legally required fringe benefits (sometimes adding 50 per cent or more to wages) prompt businessmen to defer hiring regular workers, or where lengthy termination periods (up to six months or more) make it difficult to discharge them.
- Augmented efforts to reduce the technological and management "gaps" by obtaining technical specialists and other skilled personnel from temporary help services.

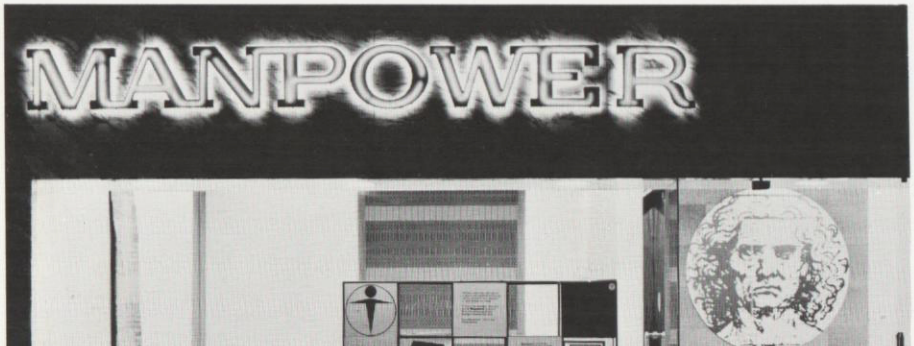
Manpower, with ten years of experience in international temporary help services and with strong regional management abroad, is fully prepared to seize on the new opportunities presented by the world's expanding economy. Further international expansion is planned, and additional offices are projected for eventual establishment in several European nations, in the Far East, and in medium-size Latin American cities that do not yet have Manpower operations.

Much of this expansion will be accomplished through franchising, a marketing technique with at least two important advantages in international business. First, it requires little or no investment on the Company's part—an important consideration when the U. S. government is acting to restrict the outflow of private capital. Second, it eases entry into nations that are acutely sensitive to incursions by U. S. corporations.

Growing at home and growing abroad, Manpower believes its worldwide organization will prove an effective network not only for the extension of existing business services but also for the introduction and international marketing of new services to be developed or acquired. It sees for itself a steadily broadening role in the world's work.

Direct Costs
Gross Profit
MANPOWER

Manpower's techniques are the same, the world around. Helping to assure the uniformity, quality and profitability of the Company's operations everywhere are intensive training programs for managerial personnel of branch and franchise offices, both U.S. and foreign.



Manpower entered its thirty-fifth nation and established its hundredth office outside North America during fiscal 1968, when it introduced itself into Ireland with the opening of a franchised office in Dublin. The Company estimates that more than half of the many new offices it expects to open between now and 1975 will be established in foreign countries.

The Company's famed skill-testing techniques (as above, in Paris) continue to set the standard of excellence for the temporary help industry around the world.

Consolidated Balance Sheet

Assets. . . .

	June 30 1968	June 30 1967
CURRENT ASSETS		
Cash	**$ 788,077**	$ 664,545
Marketable securities — at cost (approximately market)	**4,682,822**	2,413,536
Trade receivables, including installment obligations: 1968 — $562,110; 1967 — $474,997	**13,087,513**	11,280,570
Allowances (deduction)	**(284,000)**	(267,000)
Prepaid expenses	**773,947**	652,382
TOTAL CURRENT ASSETS	**$19,048,359**	$14,744,033
OTHER ASSETS	**949,077**	773,817
PROPERTY, PLANT, AND EQUIPMENT — on the basis of cost		
Land, buildings, and improvements	**651,926**	705,682
Equipment	**4,009,857**	3,388,173
Allowances for depreciation (deduction)	**(1,197,130)**	(878,487)
Leasehold improvements, less amortization	**1,098,662**	1,044,059
	$ 4,563,315	$ 4,259,427
INTANGIBLES (arising principally from acquisition of subsidiaries) — less amortization	**331,278**	467,875
	$24,892,029	$20,245,152

Liabilities . . .

	June 30 1968	June 30 1967
CURRENT LIABILITIES		
Notes payable	**$ 400,630**	$ 648,098
Trade payables	**4,562,803**	2,668,970
Employee compensation	**1,344,812**	1,201,912
Accrued expenses	**108,096**	144,669
Taxes, other than income	**1,615,768**	1,098,808
Income taxes	**1,808,401**	1,431,473
Current portion of long-term debt	**537,416**	217,686
TOTAL CURRENT LIABILITIES	**$10,377,926**	$ 7,411,616
LONG-TERM DEBT PAYABLE TO BANKS, 6% to 7% — less portion classified as current liability	**374,149**	433,689
STOCKHOLDERS' EQUITY — Note B		
Common Stock, par value $.66 2/3 a share — Authorized 2,500,000 shares; issued 1,876,468 (including shares in treasury)	**1,250,979**	1,250,979
Additional paid-in capital	**2,690,869**	2,680,972
Retained earnings	**10,437,307**	8,762,534
Cost of treasury shares: 1968 — 9,367 shares; 1967 — 12,588 shares (deduction)	**(239,201)**	(294,638)
	$14,139,954	$12,399,847
CONTINGENT LIABILITIES — Note D		
	$24,892,029	$20,245,152

See notes to consolidated financial statements.

Statement of Consolidated Earnings and Retained Earnings

	Year Ended June 30	
INCOME	**1968**	1967
Principally from sales of services and income from licensees	**$79,522,803**	$73,617,097
COSTS AND EXPENSES		
Cost of services sold — principally labor, payroll taxes, and workmen's compensation insurance	**55,154,746**	51,557,454
Administrative, general, and branch expenses	**17,859,131**	16,646,644
Provision for depreciation (principally straight-line method) and amortization	**688,799**	510,704
	$73,702,676	$68,714,802
EARNINGS BEFORE INCOME TAXES	**$ 5,820,127**	$ 4,902,295
INCOME TAXES	**3,025,870**	2,342,637
NET EARNINGS (per share: 1968 — $1.50; 1967 — $1.44)	**$ 2,794,257**	$ 2,559,658
Retained earnings at beginning of year	**8,762,534**	7,278,027
	$11,556,791	$ 9,837,685
Deduct cash dividends paid ($.60 per share — both years)	**1,119,484**	1,075,151
RETAINED EARNINGS AT END OF YEAR	**$10,437,307**	$ 8,762,534

See notes to consolidated financial statements.

Statement of Consolidated Funds

	Year Ended June 30	
SOURCE OF FUNDS	**1968**	1967
Net earnings for the year	**$2,794,257**	$2,559,658
Provision for depreciation and amortization	**688,799**	510,704
TOTAL FROM OPERATIONS	**$3,483,056**	$3,070,362
Proceeds from stock options exercised	**162,126**	8,237
Increase in long-term debt		433,689
Net proceeds from sale of Common Stock		2,470,109
TOTALS	**$3,645,182**	$5,982,397
APPLICATION OF FUNDS		
Additions to property, plant, equipment, and intangibles — net	**$ 856,090**	$2,286,674
Increase in other assets	**175,260**	421,522
Decrease in long-term debt	**59,540**	
Cost of Common Stock purchased for treasury	**96,792**	185,048
Cash dividends paid	**1,119,484**	1,075,151
Increase in net current assets	**1,338,016**	2,014,002
TOTALS	**$3,645,182**	$5,982,397

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements Manpower Inc. and Subsidiaries, June 30, 1968

NOTE A — PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Corporation and all subsidiaries, after elimination of intercompany accounts and transactions. After translation of foreign currencies into United States dollar equivalents and elimination of intercompany accounts, the following amounts for foreign subsidiaries are included in the consolidated balance sheet:

	1968	1967
Current assets	**$4,743,627**	$3,080,706
Current liabilities	**4,813,348**	3,129,870
Total assets	**7,596,198**	5,588,732
Stockholders' equity	**2,020,584**	1,871,174

NOTE B — STOCK OPTIONS

At June 30, 1968, 28,567 shares of the Corporation's Common Stock were reserved for issuance to officers and other key employees under a stock option plan. Options are exercisable after one year and up to five years from dates of grant at not less than 100 per cent of the fair market value of the stock on the dates the options are granted. At July 1, 1967, options to purchase 21,034 shares at prices ranging from $22.00 to $30.50 a share were outstanding, and 13,564 shares were available for future grant. During the year ended June 30, 1968, options for 4,305 shares at prices ranging from $37.25 to $39.63 a share were granted, options for 1,309 shares were cancelled, and options for 6,121 shares were exercised at prices from $22.00 to $30.50 a share. At June 30, 1968, options for 17,909 shares were outstanding at prices ranging from $22.00 to $39.63 per share, options for 14,602 shares were exercisable, and 10,658 shares were available for future grant under the plan.

The excess ($9,897) of proceeds over cost of treasury stock issued in connection with the option plan was credited to additional paid-in capital.

NOTE C — SUBSEQUENT EVENT

As of July 1, 1968, the Corporation entered into five-year employment agreements with three officers who are also directors and stockholders. The agreement provides for annual base compensation of $90,000 each for two of the officers and $56,000 for the third, and for additional annual compensation based on net profits in excess of a stipulated minimum of up to $85,000 each for the first two officers and $53,000 for the third. The additional annual compensation for the first two officers will be deferred and will be payable commencing upon their respective retirements. In the event of disability of any such officers, disability payments ($25,000 annually for either of the first two officers and $15,000 annually for the third) will be made to him in lieu of the above compensation payments. The maximum compensation and disability payments will be subject to an inflation adjustment based on the National Consumer Price Index.

NOTE D — CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities arising from the guarantee of loans and other items aggregated approximately $414,000 at June 30, 1968.

At June 30, 1968, the Corporation and subsidiaries were lessees of premises under leases which, except for one expiring in 1978, expire at various dates to October 31, 1974. For fiscal 1968, lease rentals totaled $889,057.

Ten-Year Summary:

YEAR ENDED JUNE 30
CORPORATE REVENUES
EARNINGS BEFORE INCOME TAXES
NET EARNINGS[1]
RETAINED EARNINGS
CASH DIVIDENDS PAID
PER SHARE OF COMMON STOCK[2]
Book Value
Net Earnings
Dividends Paid
STOCKHOLDERS' EQUITY
NET WORKING CAPITAL
AVERAGE SHARES OF COMMON STOCK OUTSTANDING
COMBINED SALES
By Company
By Licensees

AUDITORS' OPINION

1968	1967	1966	1965	1964	1963	1962	1961	1960	1959
$ 79,522,803	$ 73,617,097	$ 61,241,902	$47,347,097	$37,129,109	$28,919,331	$25,397,914	$20,860,095	$20,394,773	$14,947,904
5,820,127	4,902,295	4,870,579	3,676,613	3,227,170	2,324,346	2,004,527	1,622,704	1,307,739	1,063,765
2,794,257	2,559,658	2,464,119	1,981,886	1,632,366	1,122,819	988,086	831,367	694,995	600,926
10,437,307	8,762,534	7,278,027	5,860,570	4,537,478	3,667,987	2,853,756	2,108,511	1,500,203	958,633
1,119,484	1,075,151	809,800	545,731	418,394	345,630	278,243	240,413	180,088	126,500
7.58	6.96	4.86	3.99	3.14	2.56	2.11	1.62	1.19	.89
1.50	1.44	1.39	1.12	.92	.63	.56	.47	.40	.34
.60	.60	.46	.31	.24	.19	.16	.14	.10	.07
14,139,954	12,399,847	8,622,042	7,085,957	5,573,375	4,552,292	3,738,061	2,847,829	2,100,495	1,558,925
8,670,433	7,332,417	5,318,415	4,845,018	3,825,656	3,090,047	2,703,093	2,124,447	1,612,784	1,292,384
1,866,042	1,782,485	1,775,571	1,776,468	1,776,468	1,776,468	1,771,138	1,760,110	1,758,666	1,758,666
$157,208,451	142,233,501	122,068,001	93,340,638	73,761,658	56,758,058	48,655,010	37,444,319	35,240,985	25,134,132
74,729,095	69,238,738	57,243,022	44,511,925	34,932,158	27,125,558	23,855,210	19,711,519	19,303,835	14,193,935
82,479,356	72,944,763	64,824,979	48,828,713	38,829,500	29,632,500	24,799,800	17,732,800	15,937,150	10,940,197

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1. Federal Income Taxes and Net Earnings have been restated from amounts previously reported and reflect in the years to which they apply: additional prior year taxes of $91,479 paid in 1964 and $60,005 in 1965. **2.** Based on average outstanding shares for year adjusted for stock splits and stock dividends: 3-for-2 in November, 1961, and 5-for-4 on July 1, 1964, 1965 and 1966.

Board of Directors
Manpower Inc.
Milwaukee, Wisconsin

We have examined the consolidated financial statements of Manpower Inc. and subsidiaries for the year ended June 30, 1968. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously made a similar examination of the financial statements for the preceding year.

In our opinion, the accompanying balance sheet, statement of earnings and retained earnings, and statement of funds present fairly the consolidated financial position of Manpower Inc. and subsidiaries at June 30, 1968, and the consolidated results of their operations and source and application of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

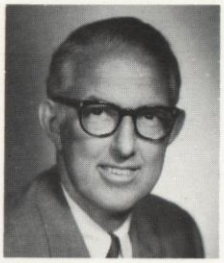
Ernst & Ernst

ERNST & ERNST

August 14, 1968
Milwaukee, Wisconsin

OFFICERS

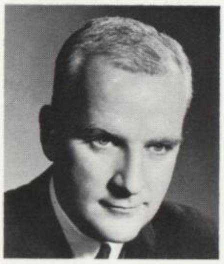
AARON SCHEINFELD
Chairman of the Board of Directors

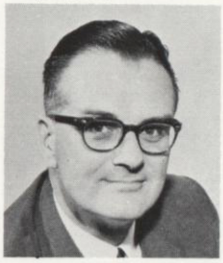

ELMER L. WINTER
President

JOHN H. FRANK
Executive Vice President — Administration

JAMES D. SCHEINFELD
Executive Vice President — Operations

MILTON B. BERLAND
Vice President and Controller


WILLIAM J. COKE
Vice President — Canadian Operations


WILLIAM J. GALLAGHER
Vice President — Service Operations

MICHAEL GRUNELIUS
Vice President — European Operations

PAUL LANGA
Vice Pres. — Personnel; Vice Pres. and General Manager, Manpower Educational Corporation

JOHN PETERSEN
Vice President — Sales ; General Sales Manager

LOUIS E. SIDMAN
Vice President — Salespower

WILLIAM B. BIRACREE
Assistant Vice President — Marketing Services

DARYL MOTTE
Assistant Vice President — Franchise Operations

TRANSFER AGENTS

The First National Bank of Chicago
First National City Bank of New York

REGISTRARS

Continental Illinois National Bank and Trust Company of Chicago
Bankers Trust Company, New York

STOCK LISTING

New York Stock Exchange

Manpower Inc. 1968 Annual Report

ADDENDUM

Michael Grunelius, listed on page 16 as Vice President - European Operations, is not an officer of Manpower Inc., but is an officer of a subsidiary corporation, and is in charge of European operations.

BOARD OF DIRECTORS

AARON SCHEINFELD
Chairman of the Board,
Manpower Inc.
Chicago, Illinois

ELMER L. WINTER
President, Manpower Inc.
Milwaukee, Wisconsin

MILTON H. COHEN
Partner, Schiff Hardin Waite
Dorschel & Britton
Chicago, Illinois

EDMUND FITZGERALD
Trustee, Northwestern Mutual
Life Insurance Company
Milwaukee, Wisconsin

EDWIN A. LOCKE, JR.
President, American
Paper Institute
New York, New York

JAMES D. SCHEINFELD
Executive Vice President—
Operations, Manpower Inc.
Milwaukee, Wisconsin

SYLVIA SCHEINFELD
Highland Park, Illinois

JACK A. WINTER
President, Jack Winter, Inc.
Milwaukee, Wisconsin

NANNETTE R. WINTER
Milwaukee, Wisconsin

NOTICE OF THE ANNUAL MEETING OF SHAREOWNERS

The annual meeting of shareowners of Manpower Inc. will begin at 10:00 a.m. Central Daylight (Milwaukee) Time, October 29, 1968, at the headquarters offices of the Company, 820 North Plankinton Avenue, Milwaukee, Wisconsin.

THE MANPOWER CORPORATE FAMILY

Temporary Help Services

Office • Industrial • Women's Industrial • Salespower • Technical • Data Processing • Government Operations • All States Service, Inc.

Other Divisions and Subsidiaries

Travelpower • Manpower Printing Services • Manpower Educational Corporation (Manpower Business Training Institutes and Manpower Teaching Services)

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